GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1730
ANSWERED ON:23.08.2007
COMMERCIAL PRODUCTION OF BIO-DIESEL
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Indian Oil Corporation has initiated steps to begin commercial production of bio-diesel;

(b) if so, the details thereof;

(c) whether the Indian Oil Corporation has identified the State for plantation of Jatropha;

(d) if so, the details thereof;

(e) whether the Union Government has prepared policy on bio-diesel; and

(f) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a), (b), (c) & (d) - Yes, Sir.

Indian Oil Corporation (IOC) is in the process of identifying suitable land clusters for developing Jatropha plantation in the States of M.P. and Chattisgarh.

IOC has applied for allotment of 30,000 hectares of non forest waste land to the collectors of Dhar and Jhabua in the State of Madhya Pradesh.

IOC has also proposed to the State Govt. of Chattisgarh for participating in the area of Bio-fuel plantation.

However, no commercial production of bio-diesel from Jatropha has started as yet.

(e) & (f) Yes, Sir.

To encourage production of bio-diesel in the country, the Ministry of Petroleum and Natural Gas announced a Bio-diesel Purchase Policy in October 2005, effective from 1.1.2006. The Policy has identified 20 purchase centres of the public sector oil marketing companies (OMCs) all over the country where OMCs would purchase bio-diesel meeting the standards prescribed by the Bureau of Indian Standards (BIS), from those bio-diesel manufacturers who register with them after satisfying the technical specifications, at a specified delivered price. The salient features of the Bio-diesel Purchase Policy are as follows:-

(i) The Public Sector Oil Marketing Companies (OMCs) will purchase Bio-diesel, meeting the Bureau of Indian Standard (BIS) specifications, through their select purchase centres.
(ii) Bio-diesel manufacturers interested in supplying Bio-diesel, meeting the requirements as per BIS specifications, to OMCs shall register with State Level Coordinators.
(iii) Priority in registration shall be given to such producers who propose to manufacture Bio-diesel from non-edible tree borne oils.
(iv) OMCs shall decide from time to time a uniform delivered price for buying Bio-diesel and such price shall be valid for six months and would be reviewed thereafter. The initial purchase price of Bio-diesel was Rs.25 per litre, which has since been revised to Rs. 26.50 per litre w.e.f. 22nd August, 2006.
(v) Panchayati Raj Institutions PRIs would undertake Purchase of Bio-diesel as a rural business hub activity.

Ministry of Rural Development has proposed to set up a National Mission on Bio-diesel with special focus on plantation of Jatropha Curcas (tree bearing non-edible oil seeds). The ultimate objective of the mission is to produce bio-diesel to be blended with diesel.